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AGRICULTURAL COOPERATION

June 15, 1929

Vol. VII, No. 12.

MANY WOOL PRODUCERS MARKET COOPERATIVELY

Approximately twenty million pounds of wool of the 1928 clip was marketed through farmer-controlled cooperative associations. The greater part of this quantity was handled by about fifteen large-scale organizations.

The Pacific Cooperative Wool Producers, Portland, Oregon, received more than three million pounds of wool, and the Ohio Wool Growers' Cooperative Association, Columbus, Ohio, handled nearly three million pounds for the wool producers of Ohio, Indiana and Michigan.

Among the other associations handling large quantities were the Montana Wool Cooperative Marketing Association, Helena, Mont., the Jericho Pool, Fountain Green, Utah, and the Manti Wool Pool, Manti, Utah.

There are about one hundred active cooperative wool marketing associations in the United States at the present time. These associations serve approximately twenty-five thousand wool producers.

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION
COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

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LARGE SALES BY CRANBERRY EXCHANGE

Net sales by the American Cranberry Exchange, New York City, were the largest in 1928-29 in the history of the organization. They amounted to \$4,187,283, which was an average of \$14.30 a barrel for the 292,241 barrels sold. This average price per barrel was also the highest in the history of the Exchange. Figures for some of the other years are: 1920-21, \$10.39; 1921-22, \$13.54; 1922-23, \$10.33; 1923-24, \$7.95; 1924-25, \$9.96; 1925-26, \$11.29; 1926-27, \$7.04; and 1927-28, \$13.17

The percentage of the total cranberry crop east of the Rocky Mountains handled by the Exchange has varied from 34 per cent in 1907-08 and 1908-09 to 66 per cent in 1921-22 and 1922-23. The percentage for the past season was 57, as will be noted by the table below which gives total receipts and the percentage which these receipts were of the total crop since 1907-08:

Marketing season	Cranberries received (Barrels)	Per cent total crop handled*	Marketing season	Cranberries received (Barrels)	Per cent total crop handled*
1907-08	143,646	34	1918-19	209,666	60
1908-09	110,274	34	1919-20	331,032	60
1909-10	207,014	36	1920-21	282,473	64
1910-11	188,062	35	1921-22	244,771	66
1911-12	235,696	53	1922-23	# 373,315	66
1912-13	259,254	57	1923-24	# 391,845	63
1913-14	278,670	59	1924-25	# 360,128	65
1914-15	339,738	53	1925-26	314,083	57
1915-16	259,780	57	1926-27	# 461,278	64
1916-17	279,476	51	1927-28	288,326	63
1917-18	154,812	56	1928-29	# 293,018	57

* East of the Rocky Mountains.

Part of receipts carried to succeeding season.

The expense of marketing in the past season was 3.929 per cent of total sales, which was the lowest percentage for any year since the Exchange was formed. Total net sales, total expenses except for advertising, and the per cent which expenses were of sales, for the years since 1920, are given below:

Marketing season	Sales	Expenses*	Per cent expenses of sales
1920-21	\$2,971,787	\$130,462	4.4
1921-22	3,324,660	136,633	4.1
1922-23	3,858,196	169,173	4.4
1923-24	3,058,557	154,729	5.1
1924-25	3,627,841	165,784	4.6
1925-26	3,558,533	155,305	4.4
1926-27	3,198,200	163,014	5.0
1927-28	3,808,794	163,781	4.3
1928-29	4,187,283	164,776	3.9

* Exclusive of advertising.

The amounts spent for advertising have varied from \$14,911 for the 1917-18 year, to \$222,007 for the 1926-27 year. The exact amounts for the several years are as follows:

1916-17	\$22,941	1923-24	\$194,533
1917-18	14,911	1924-25	77,784
1918-19	54,199	1925-26	153,720
1919-20	122,698	1926-27	222,007
1920-21	77,938	1927-28	127,340
1921-22	73,564	1928-29	150,870
1922-23	179,774		

About one-third of the money spent for advertising is used for purchasing space in the magazines, and nearly one-third in purchasing space in newspapers.

The past season \$12,735 was used for advertising over the radio, compared with \$6,435 in 1927-28.

The president of the Exchange in his annual statement to the membership of the organization gives expression to his ideas relative to cooperation in the following words:

Each season of marketing cranberries emphasizes conspicuously the immeasurable advantage of cooperative selling or the failure to receive full value for our fruit which results from a smaller cooperative membership than is needed for the best distribution of the crop.

MARKETING ORANGES COOPERATIVELY

Average returns per packed box of oranges for the Villa Park Orchards Association, Villa Park, Calif., were the largest for the 1927-28 season in the history of the association. These returns were \$5.06 a box, compared with \$4.57 a box for 1925, and \$4.15 a box for 1920. The quantity of fruit handled was smaller than for either 1926 or 1927, as will be noted by the figures below:

Season	Field boxes	Packed boxes	Proceeds*	Average per packed box
1913-14	83,634	48,953	\$191,849	\$3.92
1914-15	169,981	99,842	178,663	1.79
1915-16	151,841	92,422	250,391	2.71
1916-17	134,459	83,960	163,905	1.95
1917-18	163,376	98,896	336,969	3.71
1919	305,959	200,690	713,682	3.56
1920	216,771	143,372	595,246	4.15
1921	374,759	235,791	646,614	2.74
1922	223,884	133,465	547,998	3.95
1923	243,412	143,378	331,600	2.31
1924	404,230	215,854	490,514	2.27
1925	157,230	91,654	419,227	4.57
1926	440,598	255,233	714,370	2.80
1927	396,282	227,133	782,217	3.45
1928	221,580	133,074	672,771	5.06

* Fruit delivered at packing house.

The Villa Park Orchards on February 14, 1929, had a net worth of \$242,025, made up largely of funds retained for various purposes. There was a stock retain of \$110,234, a purchasing retain of \$10,000, an insurance retain of \$2,092, and a revolving fund of \$116,357.

Fixed assets on February 14 amounted to \$160,433, and investments to \$114,544.

A packing retain of 75 cents a box is made during the operating season and at the close of the season the unused portion is returned to the members as a patronage refund. This refund for the 1928 year amounted to \$14,682.

NEW YORK COOPERATIVE MARKETS VEGETABLES

Produce sales of \$481,742 and merchandise sales of \$49,800 were made by the Genesee-Orleans Vegetable Growers Cooperative Association, Inc., Elba, N. Y., during the 1928 marketing season. This farmer-owned marketing organization, which was formed in 1921, ships lettuce, onions, carrots and similar products for its members and purchases for them fertilizer, seeds, crates, nails, etc.

Annual sales of farm products for members have varied from less than \$300,000 to more than \$400,000 and annual sales of farm supplies to members have varied from less than \$50,000 to more than \$80,000.

Net earnings for 1928 amounted to \$1,044. Net worth at the close of the year was \$7,585. Nearly 200 members are served by this organization.

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GRAVENSTEIN APPLES MARKETED BY CALIFORNIA ASSOCIATION

Ninety-one per cent of the apples packed and shipped by the Sebastopol Apple Growers' Union, Sebastopol, Calif., during the 1928 season were Gravensteins. The remaining nine per cent was made up of apples of 25 different varieties, the most important of which were Kings, Jonathans and Spitzembergs. The total number of boxes of apples marketed during the last season was 493,763. These were shipped from six packing houses.

This association began business in 1911. It is organized with share capital of which there was \$183,330 outstanding at the close of 1928. In addition there was a revolving fund of \$7,788 and reserves of \$16,058. The total net worth on December 31, 1928, was \$213,053. On the same date fixed assets amounted to \$134,790 after deductions for depreciation.

The growth of this enterprise during recent years is indicated by the following figures:

Year	Shipments (Boxes)	Sales	Net worth	Fixed assets
1921	434,761	\$1,200,000	\$105,430	\$ 76,785
1922	592,595	609,268	153,304	178,062
1923	1,061,765	1,293,432	232,970	* 178,155
1924	409,519	581,627	226,525	* 187,999
1925	98,723	219,073	212,569	* 172,917
1926	360,250	-----	202,892	* 172,551
1927	309,262	-----	204,701	* 154,641
1928	493,763	-----	213,053	* 134,790

* Less depreciation.

ASSOCIATION RENDERS PACKING HOUSE SERVICE

Packing houses for handling apples are operated by the Gravenstein Apple Growers' Cooperative Association, Sebastopol, Calif., at three points. These plants with equipment and spur tracks have a depreciated valuation of approximately \$56,000.

The association is furnishing packing service for 135 shareholders. It also handles spray material and orchard equipment. The annual business of the association amounts to about \$200,000. The organization was formed in 1924.

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MORE FRUIT RECEIVED BY OREGON ASSOCIATION

The Gresham Berry Growers, Inc., Gresham, Ore., handled a larger quantity of fruit during the 1928-29 year than in any of the five preceding years. The different products received and the quantity handled of each was as follows:

	<u>Pounds</u>
Red raspberries	3,782,511
Strawberries	1,549,869
Blackberries.....	362,878
Loganberries	354,591
Cherries	89,668
Black caps.....	27,342
Currants	979
Gooseberries	132
Total	6,167,970

Growers were paid \$369,098 for fruit delivered. In addition they received patronage refunds of \$2,369. Quantities of fertilizers, fuel and farm implements were handled for patrons.

Part of the fruit received is shipped in a fresh state, part is canned or packed cold and part is sold to commercial canners.

The growth of the enterprise since 1923 is indicated by the following figures:

Season	Fruit handled (Pounds)	Paid growers
1923-24	2,638,278	\$169,525
1924-25	3,943,911	251,858
1925-26	2,530,304	220,841
1926-27	5,753,973	444,880
1927-28	4,119,945	244,467
1928-29	6,167,970	369,098

GRAPES AND TOMATOES MARKETED COOPERATIVELY

Three thousand eight hundred tons of grapes were sold through the Hanover branch of the C. & E. Grape Growers Cooperative Association, Silver Creek, N. Y., during the 1928 season. Forty-seven per cent of the total quantity was shipped to market in twelve-quart baskets, 40½ per cent was sold to manufacturers of grape juice and 12½ per cent was packed in the association plant and marketed as table grapes. Grape sales amounted to \$142,791. In addition, green tomatoes to the value of \$6,057 were sold. Sales of supplies, including such items as fertilizers, packages and seeds, amounted to \$52,072. Total business for the year was \$200,921, compared with \$122,007 for 1927.

This association serves about 200 grape growers. It was formed in 1921 and now has a surplus of \$8,033. Deferred patronage refunds amount to \$6,000. Investments in building and packing-house equipment are \$15,944.

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RETURNS FROM CULL ORANGES

Although the 7,000 tons of fruit crushed by the Exchange Orange Products Company, Ontario, Calif., in 1928 was less than half the quantity handled in 1927, total sales were \$20,000 more than for 1927. This was because of a larger recovery of products and higher prices.

This company, which serves the units of the California Fruit Growers' Association, makes 27 different products from cull oranges and orange peel, 5 lemon products and 3 grapefruit products. The most important of the orange products are orange oil, raw and concentrated juice, and pectin. Two grades of oil are produced from lemons, also concentrated juice and burred juice. During the year ending with October 31, 1928, new mixtures of fresh and concentrated orange and lemon juices were developed. The lemon products are made at cost of manufacture for the Lemon Products Company, also affiliated with the units of the California Fruit Growers' Exchange.

During the past year a new plant for making pectin from orange peel was put in operation. New methods for recovering pectin increased materially the quantity obtained from a ton of peel.

Net sales for products manufactured during 1926-27 season amounted to \$466,873 and credits to October 31, on the 1927-28 season were \$223,-484. Growers returns on the 18,000 tons of 1926-27 fruit handled by the company amounted to \$195,486, and growers' returns on the 7,000 tons of 1927-28 fruit are estimated at \$140,000, one cent a pound.

LEAGUE STRESSES NEED FOR MORE FALL MILK

In connection with a program for increasing production of milk in its territory, the Dairymen's League Cooperative Association, Inc., New York City, has planned for three meetings to be held by each of the more than 800 locals. These meetings are designed to bring forcefully before the membership the necessity for producing more milk during the months when the supply is usually inadequate. A definite plan formulated by a special committee will be followed through the campaign. This plan provides for intensive work to secure better feeding and to assure supplies of the right kind of feed at the right time to produce maximum milk supplies.

May 25 was the date set for the first meeting, the second will be held early in July, and the third in the latter part of September.

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THIRTY YEARS OF COOPERATIVE BUTTER MARKETING

The Mankato Creamery Association, Mankato, Minn., was organized in 1899 as the Mankato Cooperative Dairy Association. In 1900 it was serving 60 patrons most of whom were of German descent. The number of patrons increased from year to year until they now number 450. The association is organized with share capital of which \$11,270 is outstanding.

Butter to the amount of 599,284 pounds was made during 1928, also 77,230 pounds of skim-milk powder. Fluid milk and cream sales for the year were \$62,719 and ice cream sales amounted to \$15,607. Total sales were \$393,876.

The growth of this farmer-controlled enterprise since 1903 is indicated by the following figures:

Year	Butter made (Pounds)	Butter sales	Year	Butter made (Pounds)	Butter sales
1903	79,852	\$ 17,643	1919	463,514	\$269,081
1908	88,792	30,072	1920	453,540	270,645
1911	244,240	66,425	1921	573,450	232,408
1912	282,725	86,029	1922	665,515	257,320
1913	308,826	98,677	1923	670,436	355,331
1914	300,187	90,203	1924	682,678	292,757
1915	329,304	96,553	1925	704,667	311,216
1916	343,415	112,356	1926	673,324	291,233
1917	342,733	134,944	1927	672,982	312,097
1918	417,596	207,988	1928	599,284	284,455

CIRCULAR TELLS HOW TO ORGANIZE CREAMERIES

"Suggestions for the Organization of a Cooperative Creamery and a Form of By-Laws," are presented in a new circular issued by the Division of Cooperative Marketing, U. S. Department of Agriculture. The suggestions offered have to do with questions of incorporation, financing, and management. Tom G. Stitts and L. S. Hulbert are the authors. Copies of the circular are available for distribution.

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COOPERATIVE ISSUES INVESTMENT CERTIFICATES

Land O'Lakes Creameries, Inc., Minneapolis, Minn., issues investment certificates in exchange for capital. The certificates are issued for one, two, three, or five years, the interest rate being 5 per cent for one year, $5\frac{1}{2}$ per cent for two years, 6 per cent for three years, and $6\frac{1}{2}$ per cent for five years. Interest is payable semi-annually. Certificates to the amount of approximately one million dollars have been issued.

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SALES AGENCY FOR CREAMERY BUTTER

One hundred thirty creameries are served by the Minnesota Cooperative Dairies Association, Owatonna, Minn., which has established an office in New York City for selling butter. The association was formed in 1907 by the officers and members of Minnesota creameries who felt the need of direct representation on the New York market. It is a capital stock organization but with the payment of dividends on capital stock limited to 8 per cent. Butter sales during 1928 amounted to \$1,882,535.

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MINNESOTA ASSOCIATION NEEDS ANOTHER PLANT

Without expanding its territory the Twin City Milk Producers' Association, St. Paul, Minn., has gained 233 new members since the first of January, and during April received 3,456,950 more pounds of milk than in April of 1928. This has convinced the association of the need for a new plant. All of the members have produced more milk and a number have changed from cream to milk. About 100,000 pounds per day had to be manufactured. A committee is working to determine the most advantageous location for a plant where it will catch the most milk and also have suitable trackage and drainage.

FARMERS' ELEVATOR ASSOCIATION IN COLORADO

Gross sales by the Paoli Farmers' Cooperative Elevator Company, Paoli, Colo., amounted to \$381,627 in 1927-28. This association was formed in 1919 with capital stock. It markets for its members, wheat, corn, oats, barley, and millet, and purchases twine, coal, oil and salt. At the beginning of 1928 it was serving about 250 farmers.

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MANITOBA WHEAT GROWERS TAKE NEW NAME

"The Manitoba Wheat Pool" is now the legal and formal name of the organization heretofore called the Manitoba Cooperative Wheat Producers, Ltd., with headquarters at Winnipeg. As the new name is the one by which the association is commonly called and is so much shorter and more convenient, the change will doubtless be approved by all concerned.

Several other changes have been made, including a new form of growers' contract, terminable at the end of five year periods but continuing in force unless so terminated. At the last annual meeting the members instructed the board of directors to provide such a form of contract. This necessitated an amendment to the charter of the association, and several other amendments were made at the same time, including one which provides for a change from a stock company to a membership association.

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THREE STATES SHIP GRAIN TO EQUITY EXCHANGE

Receipts of grain by the Equity Union Grain Company, Kansas City, Mo., reached a total of 4,953 cars during the year ending April 30, 1929, compared with 4,206 cars in 1927-28; 2,157 in 1926-27; 2,575 in 1925-26; and 3,090 in 1924-25. Income from commissions and other sources amounted to \$102,243; expenses, including those of the two branch houses at McCook and Marysville, totaled \$30,297, leaving net earnings of \$21,546.

The company has capital stock issued and outstanding to the amount of \$100,550, and surplus and reserves of \$63,181. At the 13th annual meeting, held May 21, the members voted to declare an 8 per cent dividend on capital stock and leave a substantial sum in the reserve fund.

Practically all the grain handled came from three states, Kansas, Nebraska and Colorado. Culbertson, Nebr., sent 430 cars; 308 cars came from St. Francis, Kans., 188 and 187 from Goodland and McDonald, Kans.; 182 and 173 from Bird City and Atwood, Kans.; 165 and 131 from Oberlin and Imperial, Nebr.; and fewer than 100 cars from a large number of points. The manager states that the bulk of the business comes from old and well established Equity organizations.

WALNUT ASSOCIATION HAS SERVED TWENTY YEARS

The Whittier Walnut Growers' Association, Whitter, Calif., has been serving its members for 20 years as it was organized in 1909. In 1914 it had 150 members and in 1924 it reported 175. It is a local unit of the California Walnut Growers' Association, and owns land, buildings and equipment with a book value of \$55,634. During the past year the association shipped and sold 1,460,458 pounds of walnuts for its members with partial returns, for pools No. 1 and No. 2, of \$232,520.

Operating expenses and assessments to growers for the two pools, figured on a per-ton basis, were as follows: packing expenses, \$21.59; repairs and depreciation, \$29.36; general and administrative expense, \$6.17; total expense, \$35.53; assessment for Walnut Growers' Company stock, \$2.83; making a total of expenses and assessments of \$38.36 per ton.

The association has a net worth of \$73,290.

Sales for some of the years of operation have been reported as follows: 1913, \$200,000; 1914, \$270,000; 1921, \$432,138; 1922 crop, \$596,741; 1923 crop, \$374,949; 1924 crop, \$468,735; 1925 crop, \$461,146; 1927 crop, \$486,804. In a number of the years the returns were incomplete at time the report was compiled.

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LIVESTOCK MARKETING IN COLORADO

After six years of operation the Sterling Cooperative Livestock Shipping Association, Sterling, Colo., has incorporated in order that its activities may be on a sounder business basis. The association has 215 members. Shipments are made to the Denver market. For the last three years they have been as follows:

Year	Shipments			
	Cattle	Calves	Hogs	Value*
1926	43	64	266	\$9,024
1927	53	91	581	16,187
1928	66	205	1,550	36,541

*F.o.b. shipping point.

Most of the shipments are made by rail, although some stock is forwarded by truck.

Shipments to the first of June of the current year were nearly equal to those for the entire 1928 year, indicating that the volume of business is on the increase.

ALABAMA LAMBS SOLD COOPERATIVELY

Sheep growers from 11 Alabama counties recently held a cooperative sale of lambs at the Montgomery Stock Yards, under the auspices of the Alabama Farm Bureau and the Alabama Extension Service. They sold 2,524 lambs for the sum of \$16,200. Top lambs brought the growers 15½ cents per pound and a check-up showed that approximately half of the lambs were tops. Thirty purebred Southdown and Hampshire rams brought into the State from Tennessee were distributed among the growers.

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OHIO ASSOCIATION HANDLING MUCH LIVESTOCK

About 600 producers shipped livestock in 1928 through the Pickaway Livestock Cooperative Association, Circleville, Ohio. The shipments included 26,638 hogs, 2,940 fat cattle, 1,620 calves, 2,216 sheep, and 2,251 feeder cattle, a total of 35,665 head with a market weight of 9,992,915 pounds. Net proceeds from sales amounted to \$1,093,745, of which the shippers received \$1,076,692, 93.4 per cent of net receipts. Net earnings for the year amounted to \$1,567, and the net worth at the close of the year was \$5,661.

This association was organized in 1921 as the Pickaway Livestock Company and reorganized in 1915 as a strictly cooperative association under the present name. In 1924 it had 350 members and in 1928 it reported 400 members and 600 patrons.

The following figures selected from available reports indicate in some measure the progress of the association:

Year	Decks shipped	Animals shipped	Market weight (Pounds)	Sales	Paid patrons
1921	---	---	---	\$ 115,000	---
1923	162	11,513	---	202,042	---
1924	---	---	---	296,000	---
1925	406	25,465	5,956,283	567,672	\$ 560,288
1926	514	28,160	7,071,585	861,783	849,955
1927	636	37,340	9,599,328	949,969	933,387
1928	626	35,665	9,992,915	1,093,745	1,075,757

Since 1926 the association has been handling feeder cattle. In that year it handled 1,615 of these animals; in 1927, 3,030; and in 1928, 2,251.

A part of the shipments go direct to packers. The number of decks of hogs shipped direct has been as follows: 1925, 115; 1926, 341; 1927, 487; 1928, 454.

INCREASED BUSINESS FOR ILLINOIS SHIPPING ASSOCIATION

Livestock has been shipped by the Geneseo Livestock Association, Geneseo, Ill., since its organization, June 10, 1918. It was incorporated in 1925 and is a nonstock, nonprofit cooperative association with a membership of about 400. The total business in 1924 was \$520,613; in 1925, \$799,049; 1926, \$844,823; and in 1927, \$842,908. The 1928 annual report gives the total number of animals shipped for that year as 31,691; 28,477 of which were hogs; 2,257, cattle; and 957, sheep. The amount received for livestock was \$824,483, f.o.b. shipping point. Home expenses amounted to \$4,014, and shippers were given a total return of \$320,413, which was 99.5 per cent of the shipping point value.

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TWO NEW LIVESTOCK COOPERATIVES

Two new corporations have been created to serve livestock producers on a cooperative basis. These are the National Order Buying Company, Columbus, Ohio, and the Producers' Live Stock Credit Corporation, Chicago. The order buying company is largely a reorganization and expansion of the Eastern States Company, which has been functioning for five years with headquarters at Columbus, Ohio. The Eastern States Company was established by the Producer cooperative sales agencies on the Pittsburgh, Buffalo, Cleveland, and Cincinnati livestock markets in cooperation with the Ohio and Indiana farm bureaus.

The new company which replaced the Eastern States organization, as of May 16, 1929, will be owned and controlled by the cooperative sales agencies in the principal livestock markets, provision having been made so that practically all the strong existing agencies may share in the management through the purchase of capital stock.

The new company will expand the order-buying business already developed so as to include new markets, it will also continue the branch stations established in Ohio and the direct marketing activity built up. Both feeder animals and fat stock will be handled on an order-buying basis.

As the Eastern States Company, representing but four terminals, did a business of more than \$7,600,000 last year, it is expected by the management that with the new company representing additional markets, the volume of business will be materially increased.

The Producers' Live Stock Credit Corporation is incorporated with authorized capital stock of half a million dollars. It will take over the business already developed by the association set up by the Producers' Livestock Commission Association at East St. Louis. With resources of \$5,000,000 the new company will be in a position to further develop the loan service to livestock producers for feeding purposes.

NEW POULTRY MARKETING ASSOCIATION IN COLORADO

Egg and poultry producers in Western Colorado formed the Montrose and Delta Cooperative Poultry Producers Association, Inc., Delta, Colo., in 1928. This association is organized to sell chickens, ducks, geese, and turkeys, as well as eggs, and is buying poultry feed and egg cases for its members. A membership of 448 and a total business of \$252,000 for 1928 indicates a good start. The business office is located at Delta, Colo., with a branch shipping station maintained at Montrose.

The association is incorporated with a capital stock of \$2,000 consisting of 2,000 shares with a par value of \$1 each. A five-year marketing contract (1928-1932) is used, which provides that the association must pay to its members the amount received from the sale of products, less marketing costs and charges, costs of handling, grading, and processing, and less deductions for reserves for credit and general purposes. The annual surplus from such deductions will be prorated back to the producer members each year on the basis of products delivered. Should any member fail to deliver all of his poultry or poultry products to the association, he agrees to pay as liquidated damages, a sum equal to 50 per cent of the current market value of the products so withheld.

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TENNESSEE EGGS MARKETED COOPERATIVELY

Out of the collective activity of two women the Rutherford County Cooperative Poultry Association, Inc., Murfreesboro, Tenn., has developed. Back in 1919 two women began shipping together; two cases a week of clean eggs of uniform size and color and of good quality were sent to a nearby market. A premium was received for the quality product and the two women were joined by others. Now there are 200 in the organization. By 1922 the business of marketing eggs had become so large that an incorporated association was created. Two thousand dollars of capital stock was provided which was used in building a receiving station and warehouse beside the railroad track. Later the receiving and shipping of live poultry was undertaken. Many of the eggs handled by the association are marketed in Florida where they bring a premium.

Recent shipments are as follows:

Year	Eggs handled		Live poultry handled	
	(Cases)	(Value)	(Pounds)	(Value)
1925	2,422	\$24,858	40,966	\$ 8,627
1926	2,984	28,391	65,731	16,156
1927	3,121	24,951	73,209	14,658
1928	2,792	22,290	84,553	17,706

POOLING WOOL IN MICHIGAN

Wool pooling under the auspices of the Michigan Farm Bureau Federation has begun earlier than usual this year. Several cars of wool have already been shipped to the Ohio Wool Growers' Association, Columbus, Ohio, which has served the Michigan growers as a selling agency for their pooled wools during recent years. As local buyers are reluctant to bid on wool this spring, there is a probability that a larger quantity than usual will be pooled. Dates and places for assembling wool during the month of June have been arranged and published.

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NEW WOOL COOPERATIVE IN SCOTLAND

The Scottish Wool Growers, Ltd., was organized in 1926 under the auspices of the National Farmers' Union. It was registered on November 1, 1926, and handled a small quantity of wool that year, but began in earnest with the clip of 1927. The quantity of wool pooled was so large that the storage accommodations had to be increased four times during that season. In 1928 the quantity of wool handled was larger than in 1927 by 46.98 per cent, and the receipts from sales were larger by 58.63 per cent. Manufacturers welcome the opportunity to buy their supplies direct from a growers' society, and there is no difficulty in disposing of the wool. The society purchases sheep dips, marking fluids, and other requirements for its members.

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UTAH WOOL GROWERS DISSOLVE JERICHO POOL

A recent publication announces that the "Jericho Wool Pool," Fountain Green, Utah, has been dissolved and the growers are selling their clips individually. This pool was made up of forty or fifty farmers who united about 1917 to sell their wool together without any formal organization. Their wool was fairly uniform in type, mostly from fine wool sheep, and the selling committee called for flat bids on the entire lot. Bids had to be approved by the owners of a major part of the wool before they were accepted. This plan proved satisfactory for a number of years and each year from 1922 to 1928, inclusive, the growers sold from 900,000 to 1,000,000 pounds of wool through their pool. In 1922 the growers decided that the pool might be dissolved at any time by a vote of owners of 51 per cent of the wool.

COOPERATIVE CENTRAL EXCHANGE GAINING EACH YEAR

Each year the Cooperative Central Exchange, Superior, Wis., sets a figure to which it expects to increase its sales, then works systematically to reach that goal, allotting each unit its share of the total. The goal set for 1928 was \$1,500,000, and at the close of the year the sales had reached a total of \$1,517,813, which was an increase of 21 per cent over 1927.

Cost of goods was \$1,347,133, leaving gross earnings of \$170,679; expenses totaled \$146,784, and net earnings came to \$23,894. The major part of the net gain came from the wholesale department, \$24,826; the bakery earned \$5,699; while the auditing department reported a loss of \$1,429, and the educational department expended \$5,201, with no income.

The Exchange owns land, buildings and equipment with a depreciated value of \$39,752, including the main building, the bakery and garages. Its share capital increased by \$16,868 during the year, making a total of \$65,733. Indebtedness was reduced by \$7,466, and interest paid amounted to \$3,590. There is a reserve for contingencies and cooperative expansion amounting to \$12,565, and the net worth is now \$102,192. Sales for the 12 years of operation have totaled \$7,305,870.

Ten stores were added to the membership during 1928, and two amalgamated with other stores, making a net gain of eight and a total of 84 member stores. At the close of the year the member stores were operating 27 branch stores, 5 of which were organized in 1928.

Distribution of the net earnings was as follows: reserve fund, \$2,758; interest on share capital in cash, \$3,681, 6 per cent; trade refunds to stores in shares, \$17,454, 1.15 per cent of business.

The bakery department is the only productive plant. Its sales for the year totaled \$85,732, about \$2,000 more than in 1927 although the prices were reduced 10 per cent the last half of the year. The net gain of \$5,699 was the largest the bakery has ever made.

The auditing department reported an income of \$10,290, which was \$2,640 more than in 1927. The apparent deficit of \$1,429 covers the auditing done for the Exchange for which no charge was made. Two training courses of one week each were conducted for the present auditing staff.

In the wholesale department an effort is made to market as many products as possible under the label of the Exchange, thereby standardizing the stocks of the cooperative stores and controlling the quality. In 1928 the following were added to the list sold under Exchange labels: canned soups, Alaska salmon, pumpkin, wax and string beans, dried fruits, tapioca, wheat cereal, potato flour, gloss and corn starch, olive oil, tooth picks, canvas gloves.

One brand of cookies is handled at the rate of a car load each week. Many of the stores handle no others.

For the 1929 business the goal has been set at \$1,750,000.

COOPERATION DEVELOPING IN JAPAN

A report from the Central Union of Cooperative Societies in Japan, describes the development of the movement in that country through the year 1927. Since 1900, in which year a cooperative law was enacted, steady progress has been made and there are now 14,186 cooperative associations in the country with a membership of about 4,000,000 individuals.

These 14,186 societies are classified according to the nature of their work as credit societies, sale societies, purchase societies, utility societies, and various combinations of these functions. A large number perform two or three of these functions, and 3,437 perform all four. Credit societies are the most numerous, including those with other business they constitute 88 per cent of the total and number 12,443; 8,159, 58 per cent of the total, are classified as sale societies; 10,483, 74 per cent of all, are classed as purchase societies; and 4,876, 34 per cent, as utility societies, the figures in each case including those which carry on other business also. These organizations have capital amounting to 1,134,641,912 yen. (Par value 49.85 cents)

In 1926 the societies had an average membership of 298. There are 182 federations, and 1,008 societies are affiliated with the Cooperative Wholesale Society of Japan.

At the end of 1926 the credit societies had granted loans amounting to 641,540,263 yen, an average of 54,180 per society. These loans are usually made without guarantee, after a committee has inquired regarding the status of the member and decided upon the amount of the loan. Interest is usually at the rate of 9 or 10 per cent, which is 1 or 2 per cent lower than the ordinary rate. They had at the end of 1926 savings deposits to the amount of 641,540,263 yen, an average of 54,179 yen per society. There were 5,819,677 depositors.

About 58 per cent of the societies are selling produce, either as the main line of business or as a side line. Sales in 1926 amounted to 221,295,672 yen, an average of 29,346 yen per society and 98 yen per member. Products handled included rice, wheat, barley, soya beans, fresh vegetables, fruits, tea, colza oil, cocoons, raw silk, matting, straw and articles made of straw, livestock, textile fabrics, drapery goods, marine produce, sugar, paper, etc.

The purchasing societies bought goods to the amount of 162,192,238 yen during the year.

The Central Bank of Cooperative Societies, Ltd., was established in December, 1923. One-half of the share capital is contributed by the cooperative societies and federations, and the other half by the Government. It now has 11,534 members, of which 147 are federations, and share capital of 30,700,000 yen. Savings deposits total 14,833,154 yen, and the net surplus is 1,059,942 yen.

The Central Union of Cooperative Societies undertakes three lines of work: cooperative education, investigation and publication, and revision. In 1926 this Union organized a cooperative college in Tokyo with a one-year course.

TEXAS COTTON ASSOCIATION OBTAINS JUDGMENT

In the case of Lennox v. Texas Farm Bureau Cotton Association, the trial court rendered a judgment in favor of the association for \$37,783.15 as liquidated damages, \$5,000 as attorney's fees, and \$1,825 as expenses, which judgment was affirmed upon appeal by the Court of Civil Appeals of Texas, in 16 S. W. (2d) 413.

The cotton in question was grown during the years 1921 to 1925, inclusive, and the liquidated damages were computed at the rate of 5 cents per pound on cotton which was not delivered to the association. The growers concerned, a partnership consisting of Lennox and Lennox, signed the preorganization agreement which resulted in the formation of the Texas Farm Bureau Cotton Association. This agreement provided, in effect, that if by July 1, 1921, signatures of cotton growers covering at least one million bales of cotton of the 1920 crop should not be obtained the organization committee should notify every subscriber, and the subscriber should have the right to withdraw and cancel his signature by written notice to the secretary of the organization committee between July 15 and August 1, 1921. Lennox and Lennox never withdrew. The preorganization agreement provided further that if the organization committee should find that signatures covering at least 500,000 bales of cotton remained uncancelled, then the company should proceed with the formation of the association. Each grower in signing the preorganization agreement also agreed to be bound by the terms of a marketing agreement which was made a part thereof, and which the association was authorized to accept following its incorporation.

The organization committee found that signatures covering as many as 500,000 bales of cotton for the 1920 crop remained uncancelled, and the corporation was organized on July 27, 1921, to become effective on August 1, following. The preorganization agreement contained a provision stating, in effect, that with reference to all matters of production or signatures, the written statement of the organization committee "signed by its chairman shall be absolutely conclusive."

On the trial of the case the association offered the certificate made by the chairman of the organization committee stating that contracts covering more than 500,000 bales of cotton of the 1920 crop, viz. 552,095 bales, on which signatures had not been withdrawn, were on hand. The defendants objected to the introduction of this certificate on the ground that it was not properly drawn and because 4 of the 18 members of the organization committee were at the time directors of the association and for that reason disqualified to act as members of the organization committee. The objections were overruled and the certificate admitted in evidence, and on appeal the Appellate Court pointed out that "It has been uniformly held that in the absence of fraud such instruments are as between the parties conclusive proof of the facts they recite."

Lennox and Lennox further contended that under the preorganization agreement the propriety of organizing the association was committed to

a committee of 18 members, whereas 5 of the members were not present and did not participate in the proceedings in which it was determined to incorporate the association. The court disposed of this point by saying:

While all the members of the organization were not present at the time it was determined to incorporate, the record shows that more than a quorum was present, and there is no evidence that any of the absentees dissented or objected to what was done.

As indicated, the Appellate Court affirmed the judgment of the lower court with respect to liquidated damages but held that the trial court erred in directing the defendants to specifically perform their contract and in enjoining them from disposing of certain cotton outside of the association. This conclusion was based upon the fact that much of the cotton then in the possession of the defendants was cotton upon which the defendants had borrowed money through placing the warehouse receipts issued therefor with banks as security for money loaned them on the cotton. The court said that there was no doubt about the right of the association to recover liquidated damages from the defendants on account of the failure to deliver the cotton to the association for marketing, but held that the remedies of injunction and specific performance were not applicable under the circumstances.

In this connection the court said:

The liability of the appellants for the non-delivery of that portion of the cotton purchased from their tenants depends upon the construction that should be given to the word "acquired" as used in the marketing agreement. The cotton purchased was not produced for or by the appellants, and did not become subject to the provisions of the marketing agreement, unless it was "acquired" within the meaning of that instrument. . . . To "acquire" cotton for delivery means to acquire the legal right and power to make a delivery. That legal right and power had never been acquired by the appellants over the cotton purchased from their tenants. The liens held by the bank grew out of and were a part of the very transactions in which the cotton was purchased.

It is to be noted that the banks concerned were not parties to the suit. The parties to this case have been litigating for a number of years. (See issue of Agricultural Cooperation for November 26, 1927, p. 472)

L. S. Hulbert

REPORTED BY THE ASSOCIATIONS

The volume of butter produced by the New Zealand Cooperative Dairy Company, Ltd., Hamilton, N. Z., has increased from 12,688 tons in 1921-22 to 26,072 tons in 1927-28, and the figures for the next annual report are expected to be substantially higher.

The last of the 1928 apple crop was recently shipped by the Associated Growers of British Columbia, Ltd., Vernon. Shipments of fruits and vegetables for the year totaled 4,463 cars. Of the 4,000,000 boxes of apples produced in British Columbia approximately 1,000,000 were exported.

The executive board of the Kansas branch of the Farmers' Educational and Cooperative Union recently decided to start a movement to federate the Farmers' Union elevators in the interests of efficiency and economy. The matter will be brought before meetings of managers and discussed in the press.

The Southern Alberta Dairy Pool and the Calgary Milk Producers' Association have purchased jointly land in Calgary for the erection of one or more plants to meet the needs of the two organizations. The Milk Producers' Association plans to erect a modern milk distributing plant at once, and the other company is expecting to build in the near future.

Hamilton County, Mo., is following the lead of several other counties of the state in selling fat lambs on a graded basis. Grading was scheduled for Cairo June 5, and Huntsville June 6, with a specialist from the State College to do the grading assisted by managers of local shipping associations and others. All lambs are graded, weighed and marked as they come in, then sold according to grade.

An English newspaper announces that a wool growers' association is to be formed in Yorkshire under the Industrial Societies Act. Hull will be the center for collection of wool because of its convenience to the port and to the London market. During the past year 1,065,000 sheep were sheared in Yorkshire. As much of this year's clip is already under contract to dealers, the organization will not undertake to handle wool until next year.

Cherry growers in Western Michigan are organizing for collective action in the marketing of their sour cherries. During the last twenty years sour cherry trees have been set out on thousands of acres along the Lake Michigan side of the state, and now the larger part of the acreage is in full bearing with an annual crop that taxes existing marketing agencies. Headquarters for the new association have been established at Traverse City.

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